

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

LAW DEPARTMENT
701 COMMERCE STREET
DALLAS, TEXAS 75202

214-651-6736

RECORDATION NO. 12600 1425

WILLIAM A. THIE
GENERAL COUNSEL
JOE C. CRAWFORD
GENERAL SOLICITOR

DEC 19 1980-1 5:00 PM
ARTHUR M. ALBIN
GENERAL ATTORNEY
MICHAEL E. ROPER
COMMERCE COUNSEL

INTERSTATE COMMERCE COMMISSION

0-354A088

IN REPLY REFER TO: 410.043-65 C

Date DEC 19 1980

December 18, 1980

Fee \$ 50.00

ICC Washington, D. C.

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington DC 20423

Re: Car Lease Agreement and Assignment dated as of December 22, 1980,
between Southwestern States Management Co. and Missouri-Kansas-
Texas Railroad Company, covering lease of 100 100-ton covered
hopper cars

Dear Mr. Mergenovich:

In accordance with the provisions of Section 11303 of the Interstate
Commerce Act and rules and regulations approved and prescribed by the
Interstate Commerce Commission pursuant thereto, there are submitted for
filing and recording six executed counterparts of the Car Lease Agreement
and Assignment dated as of December 22, 1980, between Southwestern States
Management Co., 701 Commerce Street, Dallas TX 75202, and Missouri-
Kansas-Texas Railroad Company, 701 Commerce Street, Dallas TX 75202,
said Car Lease Agreement and Assignment covering the lease of one hundred
(100) 100-ton covered triple hopper cars, said cars to bear recording
marks and numbers of the Missouri-Kansas-Texas Railroad Company: 4500 -
4599, both inclusive, by Southwestern States Management Co. as Lessor
and Missouri-Kansas-Texas Railroad Company as Lessee.

Please return to me the file marked copies of the Car Lease Agreement
and Assignment for distribution to the parties. I am enclosing a Cashier's
check in the amount of \$50 to cover the prescribed fee for recording these
instruments.

I certify that I have knowledge of the matters set forth herein.

Sincerely yours,

Arthur M. Albin

Arthur M. Albin

AMA:jar

Enclosures

DEC 19 1 50 PM '80
DOCKET FILES
BRANCH

Counterpart - Dallas TX

DEC 19 1980.1 55 PM

CAR LEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

AGREEMENT made and entered as of the 22nd day of December, 1980, between SOUTHWESTERN STATES MANAGEMENT CO., hereinafter referred to as "Lessor," and MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, hereinafter referred to as "Lessee."

R E C I T A L S

Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor certain 100-ton covered hopper cars as described in Exhibit A attached hereto.

A G R E E M E N T

NOW, THEREFORE, IT IS COVENANTED AND AGREED BY THE PARTIES AS FOLLOWS:

1. Lease of Cars. Lessor (as the purchaser of the Cars under a Conditional Sale Agreement which has been assigned to Mercantile National Bank at Dallas), hereby does lease from Lessor those certain Cars (hereinafter referred to collectively as the "Cars" and individually as the "Car"), being 100 100-ton covered hopper Cars as further described and set forth in Exhibit A, attached hereto and incorporated herein by reference.
2. Delivery and Acceptance of Cars. Lessor should deliver the Cars to Lessee on or about the date set forth in Exhibit A and Lessee accepts delivery of the Cars as of the date first set forth therein. Lessee warrants and represents that it has or will inspect all of the Cars described in Exhibit A, or will be fully familiar with the physical condition of each of said Cars and will accept the Cars if properly constructed pursuant to the specifications furnished by the manufacturer to Lessee.
3. Use and Possession. Throughout the continuance of this lease and so long as Lessee is not in default hereunder, Lessee shall be entitled to possession of the Cars and may use such Cars either on its own property or upon the lines of any railroad in the usual interchange of traffic and to receive such compensation for the use of said Cars (i) as is provided for in the then-current Code of Rules Governing the Condition of, and Repairs to, Freight and Passenger Cars for the interchange of traffic adopted by the Association of American Railroads (hereinafter called the "Interchange Rules"), or (ii) such other compensation as Lessee and the user railroads may agree to, provided Lessee shall comply at all times with the requirements of Section 5 hereof, but any such uses of said Cars shall at all times be subject to the terms and conditions of this lease. Notwithstanding the foregoing, Lessee acknowledges that its rights, titles and interests in the Cars under this lease are inferior, subordinate, and subject to the rights, titles and interests in the Cars of Mercantile

National Bank at Dallas ("Bank") as the assignee of the Conditional Sale Agreement (herein so called) dated as of December 22, 1980, between Lessor and Trinity Industries, Inc. and that this Lease shall in no way affect the rights of the Bank thereunder.

4. Term. This lease shall be for a term of one hundred thirty-eight consecutive months from the final delivery date of the last delivered car, at which time this lease shall terminate.
5. Rental. During the first 60 months of the term of this lease, Lessee shall pay to Lessor for each Car, commencing as set forth in the preceding paragraph, a rental of \$800 per Car per month. During the second 60 months of the term of this lease, Lessee shall pay to Lessor for each Car a rental of \$650 per Car per month. During the last 18 months of the term hereof, Lessee shall pay to Lessor for each Car a rental of \$500 per Car per month. Monthly rental shall be due and payable by Lessee to Lessor in advance on the first day of each calendar month (except for any partial months which may be paid in arrears) during the term of this lease.
6. Title. Lessee shall not, by reason of this lease or any action taken hereunder, acquire or have any right or title in the Cars except the rights expressly granted to it as Lessee.
7. Maintenance. Lessee, during the continuance of this lease, shall perform or cause to be performed and shall pay all costs and expenses of all maintenance and repair work necessary to maintain the Cars in good working order and general condition as when delivered to Lessee, ordinary wear and tear excepted. Any parts, replacements, or additions made to any Car shall be accessions to such Car, and title thereto shall immediately vest in Bank without cost or expense to Lessor or Bank.
8. Taxes. Lessee shall promptly pay all taxes, assessments and other governmental charges, including sales, use or ad valorem taxes levied or assessed during the continuance of this lease upon the Cars or the interest of the Lessee or therein or any thereof, or upon the use or operation thereof or the earnings arising therefrom, and if any levy or assessment is made against Lessor or Bank on account of any of the foregoing matters or on account of ownership of the Cars, exclusive, however, of any taxes on the rentals herein provided or the net income of Lessor or Bank therefrom (except any such tax on rentals which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided), Lessee will promptly pay or reimburse Lessor or Bank for same; but the Lessee shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof unless thereby, in the judgment of Lessor or Bank, the rights or interests of Lessor or Bank in and to the Cars will be materially impaired. In the event any tax reports are required to be made on the basis of individual Cars, the Lessee will either make such reports in such manner as

to show the ownership of such Cars by Bank or will notify Lessor or Bank of such requirements and will make such report in such manner as shall be satisfactory to Lessor and Bank.

9. Liens. Lessee shall keep the Cars free from any encumbrances or liens which may be a cloud upon or otherwise affect Lessor's or Bank's interest, which arise out of any suit involving Lessee or any act, omission or failure of Lessee or Lessee's failure to comply with the provisions of this lease and shall promptly discharge any such lien, encumbrances or legal process.
10. Warranty - Representations. Except as otherwise provided in paragraph 6 hereof Lessor (nor Bank) makes no warranty, or representation of any kind whatsoever, either express or implied as to any matter whatsoever, including specifically but not exclusively, fitness, design, workmanship, condition or quality of the Cars or parts thereof which Cars have been accepted by Lessee hereunder, and Lessor (nor Bank) shall have no liability hereunder for damages of any kind, including specifically but not exclusively, special, indirect, incidental, or consequential on account of any matter which would otherwise constitute a breach of warranty or representation.
11. Car Marking. In the event Lessee shall paint or otherwise stencil any of the cars, Lessee shall also cause such Cars to be stenciled:

MERCANTILE NATIONAL BANK AT DALLAS, OWNER
SOUTHWESTERN STATES MANAGEMENT CO., LESSOR

Lessee shall also cause said cars to be stenciled in accordance with any instructions from Lessor resulting from Lessor's financing of the Cars so that said Cars will reflect the interest of any bank or corporation which may act as mortgagee or trustee or which may have a security interest in and to said Cars. Except as provided for herein, Lessee shall not permit any marking or labeling or stenciling of said Cars.

12. Loss, Theft or Destruction of Cars. In the event any Car is lost, stolen, or is destroyed, or is damaged beyond economic repair from any cause whatsoever, Lessee shall promptly and fully inform Lessor of such occurrence and shall, at the time of the next monthly payment or at such other date as may be mutually agreed upon, pay to Lessor, as liquidated damages in lieu of any further claim of Lessor hereunder except for accrued rent and such claims as may have arisen under paragraphs 8 and 9 hereof, the sum of \$38,400 for each Car. Lessor will request that Bank give to Lessee a Bill of Sale covering any Car lost, stolen or destroyed and paid for by Lessee in accordance with the provisions hereof.
13. Return of Cars. Upon the termination of this lease, as provided for herein, the Lessee agrees to return the Cars (except for any Cars lost, stolen, or destroyed, and paid for pursuant to paragraph 12, above) forthwith in as good working order and general condition as when delivered to Lessee, ordinary wear and tear excepted.

14. Default. The term "event of default" for the purpose hereof shall mean any one or more of the following:

- (a) non-payment by Lessee within thirty (30) days after the same becomes due of any installment of rental or any other sum required to be paid hereunder by Lessee;
- (b) Lessee shall default or fail for a period of thirty (30) days in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part hereunder;
- (c) A petition for reorganization under Subchapter IV of Chapter 11 of the Bankruptcy Code, as now constituted or as said Subchapter IV may be hereafter amended is filed by or against the Lessee and the trustee or trustees fail to adopt this lease of the Cars to Lessee within 60 days of the date of the filing of such petition and all defaults occurring during such 60-day period are not remedied;
- (d) Lessee shall (i) become insolvent within the meaning of the Bankruptcy Code, as amended, or (ii) execute an assignment for the benefit of creditors or make a proposal to its creditors under any liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws from time to time in effect and affecting the rights of creditors generally (collectively herein called "Debtor Relief Laws"), other than as contemplated in (c) preceding or under Subchapter IV of Chapter 113 of the Interstate Commerce Act (collectively herein called the "Railroad Proceedings"), or (iii) admit in writing its inability to pay its debts generally as they become due, or (iv) voluntarily seek, consent, to or acquiesce in the benefit or benefits of any Debtor Relief Law other than any Railroad Proceedings, or (v) become a party to any proceeding provided for by Debtor Relief Law that could suspend or otherwise affect any of the rights of the Lessor, other than pursuant to any Railroad Proceedings, or (vi) consent to the appointment of a receiver, trustee, liquidator, conservator, or similar person for it or all or substantially all of its assets, other than pursuant to any Railroad Proceedings.
- (e) Lessee shall involuntarily (i) have an order, judgment, or decree entered against it by any tribunal pursuant to any Debtor Relief Law (other than pursuant to any Railroad Proceedings) that could suspend or otherwise affect any of the rights granted to Lessor, and such order, judgment, or decree is not permanently stayed or reversed within 60 days after the entry thereof, or (ii) have a petition filed against it seeking the benefit or benefits provided for by any Debtor Relief Law (other than pursuant to any Railroad Proceedings)

that would suspend or otherwise affect any of the rights granted to Lessor, and such petition is not discharged within 60 days after the filing thereof.

15. Remedies. Upon the happening of an event of default, Lessor, at its option, may:

- (a) proceed by appropriate court action either at law or in equity for specific performance by the Lessee of the applicable covenants of this lease or to recover from Lessee all damages, including specifically but not exclusively, expenses and attorneys' fees which Lessor may sustain by reason of Lessee's default or on account of Lessor's enforcement of its remedies hereunder;
- (b) elect only to terminate the Lessee's right of possession (but not to terminate the lease) without releasing Lessee in whole or in part from its liabilities and obligations accrued hereunder or hereafter to accrue for the remaining term of the lease and thereupon take possession of any or all of the Cars wherever same may be found. Lessor may, but need not, require delivery of the Cars to it or repossess the Cars, but in the event the Cars are delivered to Lessor or are repossessed, Lessor shall use reasonable efforts to relet the same or any part thereof to others upon a reasonable rental and such other terms as it may see fit. The proceeds of any such reletting shall first be applied to the expenses (including reasonable attorneys' fees) of retaking and reletting of the Cars and delivery to the new lessee and then to the payment of rent due under this lease. Lessee shall pay any deficiency remaining due after so applying the proceeds as the same shall accrue. Lessor shall not be required to accept or receive any lessee offered by Lessee or do any act whatsoever or exercise any diligence whatsoever in or about the procuring of another lessee to mitigate the damages of the Lessee or otherwise. The election by Lessor to relet the Cars and the acceptance of a new lessee shall not operate to release Lessee from liability for any existing or future default in any other covenant or promise herein contained;
- (c) declare this lease terminated and recover from Lessee all amounts then due and payable plus, as liquidated damages for loss of the bargain and not as penalty, a sum which represents the present worth, at the time of such termination, if any, of the aggregate rental which would have thereafter accrued from the date of such termination to the end of the original term hereof. Present worth is to be computed in each case on the basis of a five percent (5%) per annum discount, compounded annually from the respective dates upon which rental would have been payable hereunder had this lease not terminated. In addition to the foregoing, Lessor shall recover any damages sustained by reason of the breach of any covenant of the lease other than for the payment of rental;
- (d) recover or take possession of any or all of the Cars and hold, possess and enjoy the same, free from any right of the Lessee to use the Cars for any purposes whatsoever.

The remedies provided in this paragraph 15 in favor of Lessor shall not be deemed exclusive but shall, where not by rule of law inconsistent with each other, be cumulative and may be availed of singly, in combination, or all together and in any order, and shall be in addition to all other remedies, in Lessor's favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law now or hereafter in effect which might limit or modify any of the remedies herein provided to the extent that such waiver is permitted by law.

16. Sublease and Assignment. Lessee shall have no right to sublease any of the Cars. Lessor shall have the right to assign this lease or its rights hereunder as follows: All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part with or without notice to Lessee, but subject to Lessee's rights under this lease (without in any way impairing the subordination hereof described in Paragraph 3 hereof). If Lessor shall have given written notice to Lessee stating the identity and post office address of any assignee entitled to receive future rentals and any other sums payable to Lessee hereunder, Lessee shall thereafter make such payments to the designated assignee. Lessee will not amend, alter or terminate this lease without the consent of the assignee while such assignment is in effect. The rights of any assignee or any party or parties on behalf of whom such assignee is acting shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever, whether arising out of any breach of any obligation of Lessor hereunder or by reason of any other indebtedness or liability at any time owing by Lessor to the Lessee.
17. Indemnification. Lessee hereby agrees to indemnify and save harmless the Lessor and Bank from and against any and all liability, demands, and causes of action, whether well-founded or otherwise, including the cost of defending same, for bodily injury to or death of any person or damage to the property of any person whatsoever, including the parties hereto or the employees of either of the parties, arising out of or in connection with the use or operation of said Cars leased hereunder, whether said damage shall be the result of obvious defects, latent defects, or other causes, and shall not call upon the Lessor or Bank for contribution in any sum whatsoever by reason of the fact that Lessor or Bank is the owner of said Cars. Indemnity shall apply from the time the said cars are accepted by the Lessee until they are returned to and accepted by the Lessor or Bank.
18. Notice. Any notice required or permitted to be given pursuant to the Lessor under the terms of this lease shall be properly given when forwarded by registered United States mail, return receipt requested, postage prepaid, addressed to:

Southwestern States Management Co.
701 Commerce Street
Dallas, TX 75202

or at such other address as Lessor may from time to time designate by notice in writing and to Lessee at:

Missouri-Kansas-Texas Railroad Company
701 Commerce Street
Dallas, TX 75202

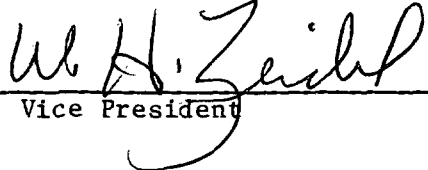
or any such other place as Lessee may from time to time designate by notice in writing.

19. Recording of Lease. Lessee agrees to forthwith, following execution hereof, cause this lease to be recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act.
20. Counterparts. This agreement may be executed in multiple counterparts, each of which shall be deemed an original.
21. Law Governing. The terms of this agreement and all rights and obligations hereunder shall be governed by the laws of the State of Texas and the United States of America.

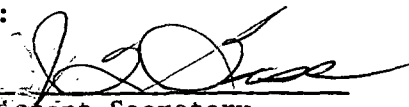
IN WITNESS WHEREOF, Lessor and Lessee have duly executed this lease as of the day and year first above written.

SOUTHWESTERN STATES MANAGEMENT CO.,
Lessor

By

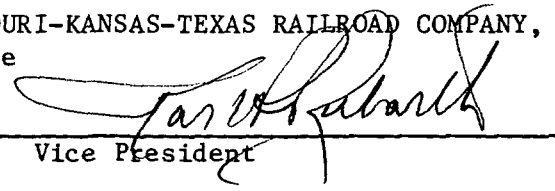

Vice President

ATTEST:

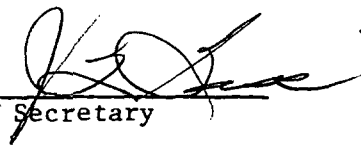

Assistant Secretary

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY,
Lessee

By


Vice President

ATTEST:


Assistant Secretary

THE STATE OF TEXAS)
)
COUNTY OF DALLAS)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared W. H. Zeidel, Vice President, known to me to be the person and office whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said SOUTH-WESTERN STATES MANAGEMENT CO., a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 18th day of December, 1980.

Lee Matlock
Notary Public in and for Dallas County,
Texas

My Commission expires: 12/31/80

THE STATE OF TEXAS)
)
COUNTY OF DALLAS)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Karl R. Ziebarth, Vice President, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 18th day of December, 1980.

Lee Matlock
Notary Public in and for Dallas County,
Texas

My Commission expires: 12/31/80

EXHIBIT A

Exhibit A dated as of December 22, 1980, to Car Lease Agreement dated December 22, 1980, by and between Southwestern States Management Co. ("Lessor") and Missouri-Kansas-Texas Railroad Company ("Lessee").

Type and Description of Car:

One hundred (100) 100-ton, 4750 cu.ft. covered triple hopper cars with through center sill constructed by Manufacturer in accordance with its general specification HC3-47-1 dated October 1, 1979, as revised July 11, 1980, said Cars to bear recording marks and numbers of the Missouri-Kansas-Texas Railroad Company: MKT 4500 - 4599 both inclusive.

Number of Cars:

100

Reporting Marks and Numbers:

MKT 4500 - 4599

Specifications Designated by Lessee:

Cars to be painted per Lessee's specification

Initial F.O.T. Delivery Point:

Fort Worth, Texas

ASSIGNMENT OF FUNDS DUE AND TO BECOME DUE
UNDER CAR LEASE AGREEMENT

THIS ASSIGNMENT, made and entered into this 22nd of December 1980, between SOUTHWESTERN STATES MANAGEMENT CO., a Missouri corporation ("Assignor") and MERCANTILE NATIONAL BANK AT DALLAS, a National banking association ("Assignee");

W I T N E S S E T H:

1. On the 22nd day of December 1980, Assignor, as Lessor, entered into a Car Lease Agreement with Missouri-Kansas-Texas Railroad Company, a Delaware corporation, as Lessee, (the "Lease") covering the following described railroad equipment, (the "Cars"), to wit:

One hundred (100) 100-ton, 4750 cu.ft. covered triple hopper cars with through center sill constructed by Manufacturer in accordance with its general specification HC3-47-1 dated October 1, 1979, as revised July 11, 1980, said Cars to bear recording marks and numbers of the Missouri-Kansas-Texas Railroad Company: MKT 4500 - 4599 both inclusive.

together with accessories and accessions, parts, tools and equipment furnished by the Manufacturer; and

2. Assignee has duly executed a Conditional Sale Agreement dated as of December 22, 1980, with Trinity Industries, Inc., a Texas corporation (the "Manufacturer") covering the sale and purchase of said Cars, which Conditional Sale Agreement has been assigned by Manufacturer to Assignee pursuant to Agreement and Assignment dated as of December 22, 1980; and

3. Said Conditional Sale Agreement and Agreement and Assignment provide for the financing of said Cars by Assignee, and by creating an indebtedness of the Assignor to the Assignee (the "Indebtedness"); and

4. In consideration of the payment by Assignee to the Manufacturer as provided for in said Conditional Sale Agreement and Agreement and Assignment and to secure the prompt and punctual payment of the Indebtedness and any and all indebtedness, obligations or liabilities of every kind and description of the Assignor to Assignee as set forth in said Conditional Sale Agreement and Agreement and Assignment, including without limitations, extensions, renewals or changes in the form or substance of the Indebtedness, due or to become due, howsoever created, (all hereinafter referred to as "Obligations"), Assignor, subject to the terms and provisions hereof, does hereby assign, transfer and set over unto the Assignee all sums of money due or to become due to Assignor under the terms and provisions of the Car Lease Agreement; and

5. Provided however, so long as an Event of Default has not occurred under the terms and provisions of the Conditional Sale Agreement and Agreement and Assignment, Assignee shall have no rights hereunder until such time as an Event of Default thereunder does occur, in which event this Assignment shall become automatically effective in which event any and all payments of any sums of money whatsoever due under said Lease shall be forthwith and thereafter paid directly to Assignee and shall continue in effect until such time as the default is cured or the principal and interest and all other sums of money required to be paid under the terms and provisions of said Conditional Sale Agreement and Agreement and Assignment are fully paid, whichever occurs first. Upon the occurrence of an Event of Default, the Assignor shall so notify the Lessee or its successors or assigns of any such default, but the timing of such notice shall not delay the effectiveness of this Assignment as between the Assignee and Lessee.

6. Following the giving of any such notice, Assignee may, upon receipt of any sums paid by Lessee to Assignee, apply them in payment of any of Assignor's Obligations.

7. Assignor further covenants and agrees (i) that no other assignment of such rentals, or any part thereof has been made and no other assignment of such rentals or any part thereof shall be made without the prior written consent of Assignee, and (ii) that Assignor will perform all of the terms and provisions of the Lease to be performed by Assignor so that rentals will be due and payable as therein provided.

8. Assignee does not, by the execution of this assignment or by its acceptance hereof, assume or become liable in any manner whatsoever for the performance of any of the terms and conditions in the Lease, unless and until the Assignee shall definitely assume any such obligations in writing.

9. This assignment is given as collateral security for the Indebtedness and Obligations and the terms hereof shall become operative only in the event of a default in the Indebtedness or Obligations or any instrument given to secure the Indebtedness or Obligations. Upon payment in full of the Indebtedness and the Obligations this assignment shall be of no further force and effect.

10. This assignment shall be binding upon and shall inure to the benefit of the heirs, legatees, devisees, administrators, executors, successors and assigns of the parties hereto.

11. This assignment shall be governed by and construed in accordance with the laws of the State of Texas.

Executed as the day and year first above written.

SOUTHWESTERN STATES MANAGEMENT CO., Assignor

By

W. H. Leitch
Vice President

MERCANTILE NATIONAL BANK AT DALLAS, Assignee

By

Harlan Hilton
Vice President

STATE OF TEXAS)
)
COUNTY OF DALLAS)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared W. H. Zeidel, Vice President, known to me to be the person and office whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said SOUTHWESTERN STATES MANAGEMENT CO., a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 18th day of December, 1980.

Joe Matlock
Notary Public in and for Dallas County,
Texas

My Commission expires: 12/31/80

STATE OF TEXAS)
)
COUNTY OF DALLAS)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Harlan Bilton, Vice
President, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said MERCANTILE NATIONAL BANK AT DALLAS, a national banking association, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th day of December 1980.

Joe Matlock
Notary Public in and for Harris County,
Texas

My Commission expires: 12/31/80

ACKNOWLEDGMENT

The Missouri-Kansas-Texas Railroad Company, Lessee under that certain Car Lease Agreement between it and Southwestern States Management Co., dated as of December 22nd, 1980, hereby agrees to and acknowledges the existence and validity of that certain Assignment of Funds Due and to Become Due Under Car Lease Agreement between Southwestern States Management Co. and Mercantile National Bank at Dallas, its successors or assigns, as set forth in said Assignment to pay any and all sums required to be paid under the terms in said Assignment to pay any and all sums required to be paid under the terms and provisions of said Lease to Mercantile National Bank at Dallas, at its office in Dallas, Texas, without conterclaim or set-off arising out of such Car Lease Agreement or any other transaction between the Missouri-Kansas-Texas Railroad Company and Southwestern States Management Co., waiving all rights of the undersigned company to cancel such Car Lease Agreement for any cause whatsoever, until such time as the Indebtedness and Obligation of Southwestern States Management Co.(as defined in the Assignment) to Mercantile National Bank at Dallas are fully satisfied and discharged or until such time any Event of Default (as defined in that certain Conditional Sale Agreement between Trinity Industries, Inc., and Southwestern States Management Co. dated as of December 22, 1980) is cured and appropriate notice received from Mercantile National Bank at Dallas, whichever occurs first.

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

By


Vice President

Dated: December 18, 1980.